VZCZCXRO5918 OO RUEHBI RUEHCI RUEHCN RUEHGH RUEHLH RUEHPW RUEHVC DE RUEHNE #1013/01 0990701 ZNY CCCCC ZZH O 080701Z APR 08 ZDK FM AMEMBASSY NEW DELHI TO RUEHC/SECSTATE WASHDC IMMEDIATE 1258 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUEHOO/CHINA POSTS COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 6850 RUEHMO/AMEMBASSY MOSCOW 2632 RUEHGO/AMEMBASSY RANGOON 1233 RUEHKO/AMEMBASSY TOKYO 5595 RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEIDN/DNI WASHINGTON DC RHHMUNA/CDR USPACOM HONOLULU HI RUCNDT/USMISSION USUN NEW YORK 6264 RHMFISS/HQ USCENTCOM MACDILL AFB FL RUEHGV/USMISSION GENEVA 7663 RHHMUNA/HQ USPACOM HONOLULU HI RHMFISS/HQ USSOCOM MACDILL AFB FL RUEKJCS/JOINT STAFF WASHDC

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TAGS: <u>PGOV PHUM PREL PINR KDEM IN BM CH CE NP</u>
SUBJECT: GREYBEARDS AND INSIDERS GIVE DAS FEIGENBAUM THE
CHURN ON BILATERAL, DOMESTIC, AND REGIONAL POLITICS

Classified By: PolCouns Ted Osius for reasons 1.4 (B,D)

11. (C) SUMMARY: During three days of meetings in Delhi, SCA Deputy Assistant Secretary Evan Feigenbaum heard from Indian academics, politicians and former top bureaucrats gave varying views on the bilateral relationship, Indian domestic politics, and regional affairs. Former Ambassador to the U.S. Lalit Mansingh described the Indo-U.S. relationship as one that needed to evolve and asked for more time to allow that to happen organically. Domestically, interlocutors highlighted the unprecedented role of the Left on foreign policy and the influence of caste and religion on politics. Regional experts discussed a "stalemate" in India's relations with China, explained constraints on India's Tibet policy, described a zero-sum calculus driving rivalry with China for influence in Burma, forecast deep trouble for Nepal during and after April 10 Constituent Assembly elections, and worried over prospects for peace in Sri Lanka. DAS Feigenbaum's other conversations reported via reftels. End Summary.

Instilling Momentum in a Stalled Dialogue

12. (C) Citing the lack of Indian government responsiveness on such things as setting dates to continue trade negotiations, moving a new Fulbright agreement to the Cabinet, and concluding long-promised defense agreements DAS Feigenbaum queried former Indian Ambassador to the U.S. Lalit Mansingh on reasons for the loss of momentum in the bilateral relationship. Expressing his own frustration, Mansingh emphasized that the U.S. should be patient while the GOI came to terms with the seismic shift in U.S.-Indo relations. According to Mansingh, the relationship has not had time to "evolve," within certain elite circles, and "a coalition of skeptics," including India's communists, nuclear scientists, intellectuals, the intelligence community, and even

personalities in the Ministry of External Affairs are mired in Cold War mindsets that die hard. He lamented that Prime Minister Manmohan Singh had not sold India's new partnership with the U.S. effectively, even within the Congress Party. Said Mansingh, "It isn't easy to for us (India) to change direction so easily. Give us time." But on a more positive note, Mansingh observed that, "The old mindset is fading away."

India's transformation to a "non-ideological" foreign policy

- 13. (C) Feigenbaum asked if India has a foreign policy doctrine. Mansingh asserted that India's foreign policy has changed dramatically over the past decade but it cannot be found in documents or national security strategies. Indian policy, he said, is transforming in four ways to adjust to new global realities:
- Economic factors have become as important as political considerations in driving foreign policy;
- Indian security concerns have morphed from a "borders only" mentality focused solely on India's South Asian periphery to a more global outlook.
- Indian foreign policy has nearly pitched the Nehruvian notion that all countries are equal to a focus on "fifteen to twenty" key countries that are most important to India's interests; and,
- India is now prepared for asymmetric relations and has

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foregone the Nehruvian idea that the foundation of foreign policy lies in strict reciprocity among nations, large and small, powerful and weak.

14. (C) Mansingh noted Feigenbaum's comment that the U.S.-India dialogue is far less "global" in scope than the U.S. dialogue with China, Japan, and even Russia. Feigenbaum noted that the U.S. had proposed structured dialogues on Africa, the Gulf, and East Asia; Foreign Secretary Shivshankar Menon had been intrigued with the idea but his Ministry had since failed to respond to the U.S. proposal. Mansingh said the idea was overdue and he would talk to Menon about it.

The Churn on Domestic Politics

- $\underline{\textbf{1}} \textbf{5.}$ (U) At an April 4 meeting, former bureaucrat and recently elected Rajya Sabha member N.K. Singh told DAS Feigenbaum that state-level solutions are key to addressing many of India's economic and agricultural problems. He agreed with DAS Feigenbaum that rural industrialization (as in China) offers a solid solution, but admitted that it would entail a "vastly higher level" of rural infrastructure including roads, telephones, cold storage, and most importantly, State governments will play an increasingly larger role in the country's economic expansion, he opined. This fact along with the inability of the two national parties, the Congress and the BJP, to work together will ensure that regional parties will retain an undue amount of influence on national politics for the foreseeable future, he predicted. Singh also opined that the lack of state engagement was one of the reasons domestic negotiations are going badly regarding the Indo-U.S. nuclear agreement. According to Singh, Congress made a mistake by not engaging state politicians because it did not understand what could be electorally at stake.
- 16. (C) Tuktuk Kumar, a senior civil servant who serves as Principal Secretary to Speaker of the Lok Sabha Somnath Chatterjee (CPI-M), provided Feigenbaum with a ringside view of Indian political thinking vis--vis the civil nuclear

deal, but especially domestic politics and the role of communalism in India today. Kumar noted that since PM Singh made the nuclear agreement the center of his policy, the deal has evolved into a symbol of something much larger. She underscored that the Left survives and now thrives on anti-Americanism, which it forcefully articulates. Further, the Left is basking in amplified attention because of theQ political clout they are receiving at the Center. Most Indians, Kumar opined, feel the Left is "living in a time warp" and its rhetoric shouldn't surprise anyone. "Everyone knows they are not speaking for the middle class or the young." Nevertheless, Kumar noted, the Left genuinely wants to be seen as a legitimate opposition in the Indian political space and, despite being supportive of the ruling government, it still works to "knock the Government off of its pedestal."

17. (C) Turning to domestic politics, Kumar felt that the current government will survive until next year, noting that it would be foolish to call for elections before the effects of the budget and reforms are felt on the ground. Coalition politics are "here to stay," but come part and parcel with significant challenges to good governance, including regional and local priorities that will trump national priorities, the need for endless compromise among parties and factions, ongoing struggle among parties inside coalition governments, and resistance from some coalition partners to taking responsibility for all government decisions. Further, Kumar said that the current Prime Minister is in a weakened position because he was not directly elected. "Everyone looks to Mrs. Gandhi and her son for direction."

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- 18. (C) Kumar stated that the BJP has leveraged culture and religion to its advantage. Issues such as caste helped current Chief Minister of Uttar Pradesh Mayawati Kumari come "The bottom of the social hierarchy is numerically to power. strong with significant pent-up antipathy toward people of power. While Mayawati tries to bring different caste groups together to extend her power, she's squandering that momentum now." Kumar blamed V.P. Singh (the eighth Prime Minister of India) for turning these social identity markers into emotive and volatile issues, ultimately "damaging" India. She also blamed opposition leader L.K. Advani, noting that "he is responsible for this great divide in the country. turned rabidly communal after his Rath Yatra and the BJP's rise to power, and the fringe has taken advantage of that." (Note: Rath Yatra literally translates to "chariot pilgrimmage," usually referencing the movement of warriors in the Hindu text, the Mahabharata. In this context it refers to the Advani's Hindu-inspired rallies prior to the Ayodhya incident which exploited anti-Muslim sentiment among the Hindu majority. End Note).
- 19. (SBU) Echoing this theme, former Cabinet, Defense, and Home Secretary (and former Indian Ambassador to the U.S.) Naresh Chandra told Feigenbaum April 4 that the Indian government must assure its Muslim vote during the run-up to an election. While the Congress Party wants to prevent communalism and riots, other voters claim that the government seeks to "pamper Muslims.8 The political parties that try to attract the Muslim vote bank have attempted to use an anti-U.S. platform, he said, but several Muslim commentators have underlined that Muslims care more about economic development than regional politics.

India-China Relations In a Stalemate

110. (C) Jawaharlal Nehru University (JNU) Center for East Asian Studies Chairman Dr. Srikanth Kondapalli told DAS Feigenbaum India-China relations were in a "stalemate," citing an "empty" visit between PM Singh to China in January and the lack of substance in bilateral interactions. While trade was booming, Kondapalli noted, and the lingering border

conflict remained calm, India sees the bilateral relationship as being one-sided in favor of China. Kondapalli reasoned it was due to India's belief it was in an inferior position vis-a-vis China -- later he described it as a fear of "marginalization" -- that the GOI was against a Chinese-led regional trade agreement, as well as opposed to the dramatic opening toward Chinese consumer goods in the Indian market. Kondapalli went as far as to say that Wal-Mart's difficulty in entering the Indian market was partially due to the fact that China supplied so many of Wal-Mart's products. He insisted Indian consumers did not want "inferior" Chinese products, even if it meant paying higher prices, pointing above his head to a "made in Punjab" ceiling fan that costs Indian consumers four times what they would pay for a Chinese-made fan if India freed up imports.

111. (C) Chinese investments in the Indian Ocean region were defensive in nature and/or primarily related to energy. Kondapalli noted, however, that India has seen port infrastructure developments in Burma and Sri Lanka, as well as what he described as a "40 meter deep" facility at Gwadar in Pakistan which, he claimed, could accommodate Chinese nuclear-powered ballistic missile submarines. While India still believes China has no intent to attack India, Kondapalli did note the Indian Army recently elevated its China related threat level from low to medium. He said the Indian Air Force in particular is concerned about the India-China border and plans to expand airfields in the Arunachal Pradesh region.

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- 112. (C) Kondapalli mentioned that he had heard President Patil planned to visit China in the coming months.
- 113. (C) JNU's Center for East Asia Studies Chairperson Dr. Alka Acharya, who handles China for the National Security Advisory Board, echoed Kondapalli's characterization of India-Sino Chinese relations as "stalemated." "The level of suspicion and distrust is phenomenal," she stated, lamenting that the situation was unlikely to change unless the political elite stepped aside and let the economic leaders drive the relationship.

Little India Can Do To Help Tibet

114. (SBU) Naresh Chandra and Feigenbaum also discussed Tibet, with Chandra emphasizing that the Indian government has allowed the Tibetan Government-in-Exile to operate from Indian territory. &Suppose China allowed jihadis from Kashmir on Chinese soil, what would be the extent of our reaction?,8 Chandra asked. He recounted that Prime Minister Jawaharlal Nehru had read the situation wrong in the early 1950s, when he thought that the Chinese would preserve Tibetan culture and religion, &but they had another agenda, and had no use for Tibetan concerns or lamas.8 He regretted that India could do very little to help the situation in Tibet beyond individual athletes refusing to carry the Olympic torch.

Chinese Influence in Burma Dictates Indian Policy

115. (SBU) Chandra mounted a spirited defense of India's engagement in Burma, claiming that without this engagement, the Indian Army would need to move two divisions to the northeast merely to control cross-border terrorism and separatist movements. Observing that the strong Chinese presence in Burma has also dictated India's policy towards Burma, Chandra recalled that, as Cabinet Secretary, he had brought up Indian concerns about the growing Chinese influence to the U.S. in the 1990s, but the U.S. only responded that Burmese xenophobia would prevent the Chinese from settling there.

16. (C) In a meeting to discuss Nepal with retired Army General Ashok Mehta, now a strategic analyst, Mehta predicted that the April 10 Constituent Assembly elections in Nepal will be "the most violent and bloody election in Nepal in a long time," and will be followed by chaos. Mehta worried especially about the aftermath; the Maoists will not accept the election results, he opined, and noted the dilemma of the establishment in Nepal, which must go along with the Maoists. The Maoists have been given "no red line," Mehta said, asserting that no matter how they behaved, the Government of Nepal (GON) will have to support them. There was no arbiter or referee between the Maoists and the GON, he continued, concluding that neither the UN nor the Election Commission can fulfill that role. "The Maoists won't win through the ballot and they could not win through the bullet. Now it will be a combination of each," Mehta forecasted, adding that he was sure the Maoists "have a plan."

Sri Lanka: No Strategy

117. (C) On Sri Lanka, Mehta noted that President Rajapakse had no political strategy, and that the recent election in the East had not been credible. "The Government of India keeps saying that there is no military solution, but that's no good," opined Mehta, adding, "the more you say that, the

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more (the GOSL) will pursue it." For years, Mehta continued, the GOSL army chiefs and presidents said they would end the war. "They can't," he stated flatly, pointing out that GOSL forces have only advanced two kilometers in the past nine months in the North. Asked the best way forward, Mehta said that it was important to stop the flow of arms and weapons to the GOSL. While the U.S. could implement an arms embargo, China would continue to supply the Sri Lankans. An arms embargo could be implemented through the UN, he suggested, but admitted that this, too, would be problematic. On devolution, Mehta averred that the GOSL already had a statement of intent to devolve power to provincial councils in the form of Amendment 13, but the JVP would block its implementation.

118. (U) DAS Feigenbaum has cleared this message. DEIKUN